

54/7

REPORT
OF
THE DIRECTORS
OF THE
RUTLAND AND BURLINGTON
Railroad Company,

AT THEIR ANNUAL MEETING, AT RUTLAND,

HELD 20TH JUNE, 1849.



BURLINGTON:
FREE PRESS OFFICE.

1849.

Officers of the Corporation.

Board of Directors, Elected June 20, 1849.

TIMOTHY FOLLETT, Burlington,
GEORGE T. HODGES, Rutland,
NATHAN RICE, Boston,
JOHN HOWE, Boston,
BENJ. T. REED, Boston,
JOHN ELLIOTT, Keene, N. H.,
WILLIAM HENRY, Bellows Falls,
NATHANIEL FULLERTON, Chester,
CHESTER GRANGER, Pittsford,
JOHN A. CONANT, Brandon,
CHARLES LINSLEY, Middlebury.
PARIS FLETCHER, Bridport,
SAMUEL P. STRONG, Vergennes.

President

TIMOTHY FOLLETT,

Vice President

GEORGE T. HODGES,

Treasurer

SAMUEL HENSHAW, Boston.

Assistant Treasurer and Clerk

SAMUEL SWIFT, Middlebury.

Chief Engineer

WILLIAM B. GILBERT, Rutland.

REPORT.

To the Stockholders of the Rutland and Burlington Railroad Company.

GENTLEMEN:—Before entering upon the immediate business which, under the published notice, has called you together on this occasion, it is deemed no less the duty, than it certainly is the pleasure of the Board to whose care you have heretofore confided the interests of your great work, to lay before you, somewhat in detail, their past proceedings, that you may learn with a good degree of certainty the present condition and future prospects of the enterprise in which you are engaged. And, Gentlemen, how interesting to us, and to all lovers of “progress” in our midst, is the great truth now being developed, that Vermont is to participate *fully* in the enjoyment of those great enterprises which distinguish the present age of the world. Ten years since, and the wildest enthusiast did not venture to *dream* of the probability of *ever* penetrating our borders with a Railroad—and now scarcely a County in our State but enjoys, or shortly will enjoy, the untold, the unconceived benefits of this great modern invention.

We well recollect when the illustrious Clinton received the just homage of a world for the conception, and his State the proudest rank in the confederacy for the successful effort of uniting the ocean with the lakes,—a triumph which immortalized the age in which it was accomplished, and will transmit the name of its projector to future times in story and in song.

At a later period we behold our glorious New England struggling to participate in the benefits of that immense work, and inviting the inexhaustible productions of the mighty West to her great and enterprising capital in Massachusetts. The Boston and Albany Railroad was commenced, and the world astonished by its completion. A new era then dawned upon us,—a problem more interesting than any which preceded it, was triumphantly solved in that great enterprise. *Mind* had encountered matter at fearful odds, and gained a glorious victory;—gravitation, the great law of nature, was forced to yield to the greater power of enterprise and skill.

And now, Gentlemen, it can scarcely be credited that at so early a period after the accomplishment of the great works to which I have alluded, works which called forth the concentrated efforts of mighty States with their millions of men, money and credit, we behold *individual effort* and *private capital* successfully grappling with enterprises which will soon secure to Vermont lines of public works quite as stupendous, quite as costly, as either of these. An energy which knows no relaxation, an indomitable perseverance which is a peculiar trait in New England character,

has carried this great modern improvement over her mountains and through her vallies, diffusing untold benefits broad-cast over her borders. You, Gentlemen, have the proud satisfaction of having aided in the construction of one of these great works—a work which, when completed, will reward you not alone in a rich return of the capital you have contributed, but a thousand other nameless benefits and comforts and enjoyments, all tending to humanize, civilize and christianize, may be rationally expected to flow from the successful completion of your labors.

It is proper to premise that the period which has elapsed since your last meeting, has been eminently distinguished, as one of monetary embarrassment and distress. Capital has commanded rates of interest in our commercial cities hitherto unknown, and the time during which the borrower has been placed at the tender mercy of the lender has been protracted to a degree unparalleled in the business history of New England for the last 40 years. During this embarrassing period, it has been with great effort that we have kept the work in progress; but still it has been done throughout its whole line—not indeed *pressed* with the activity and energy which an easier state of the money market would have justified and demanded, (for this would have shown your road *to-day* fully completed and in successful operation) but with a rapidity quite equal to the means at command to respond to the monthly obligations upon your Treasury. It is a source of high gratification, in which you, Gentlemen, cannot fail to participate, that we have been able, thus far, to obtain money

within the legal rates, and that your Treasury has never failed in a single instance, or for a single dollar, to meet faithfully and promptly every demand justly made upon it.

You are aware that contracts were entered into, in 1847, for the grading, masonry and bridging of the whole line of road. Original contractors have, in a number of instances, thought proper, or been obliged, to abandon their work. The necessity has consequently been imposed upon us, of re-letting the abandoned sections, wherever it could be done on satisfactory terms,—and where it could not, of taking possession and, under the management of agents, doing the work ourselves. Sections 7, 8, 10, 11, 12, 13, 14 and 15, in the Bellows Falls Division, are of the latter class, and finished; the two summit sections at Mount Holly are also being worked by the Corporation, and will be completed without doubt, formidable as they once were, in the month of October next. It is a well-known fact in the history of Railroad construction, that work abandoned is never re-let on equally favorable terms—and it is no less true, that Corporation work is burdened with expenses to which private contractors are not exposed. It must, therefore, be expected, that the outlay upon the sections named will considerably exceed our original estimates; but an offset for this, in part at least, is found in the *certainty*, that the “rocky ramparts” of Mount Holly will have been sundered in less time, and at less expense, than some other portions of the line of less enviable notoriety.

The return of your Engineer Department shows,

that up to the first of the current month, the amount of work then done was as follows :

4,263,921 yards of Earth Excavation.
 263,058 yards of solid Rock Excavation.
 15,225 yards of Loose Rock Excavation.
 31,679 yards of Bridge and Arch Masonry.
 19,107 yards of Culvert Masonry.
 16,834 yards of Hardpan—paid for as such.
 2,083 Lineal feet Bridging.

Costing in the aggregate the sum of \$1,214,974,53, a portion of which has been paid for in the Capital Stock of the Company. And it is estimated that the work remaining to be done, to complete the grading, masonry and bridging, on the entire line from Bel- lows Falls to Burlington, to prepare the road for the superstructure, is as follows :—

986,269 yards of Earth Excavation.
 40,305 yards of Rock Excavation.
 7,190 yards of Bridge and Arch Masonry.
 2,066 yards of Culvert Masonry.
 2,938 Feet Bridging.

Costing at contractor's prices, with a liberal allowance for Corporation work unfinished, the sum of \$297,278,24, The work is exposed and its character understood. The general accuracy of this last estimate ought, therefore, to be relied upon with a good degree of certainty.

Contracts for the Iron Rails (12,000 tons) sufficient for the whole road, have been closed on highly favorable terms, both as to price and conditions of payment. The same may be said of the Spike, Chairs, and all other metallic appendages. The Rails are of the T pattern, weighing 60 lbs. to the yard, costing, at an average, \$53,84 per ton, and are now in the course of rapid delivery on the line of the road ; 6,873 tons

having been delivered on the Lake, and 2000 tons at Bellows Falls.

Our bridge contractors throughout the line have supplied themselves with the necessary timber, most of which is already delivered, for the unfinished work, and much of it framed ready to be put up as early as the masonry shall be ready to receive it. Timber for the superstructure has been delivered and distributed, and the balance will be ready as soon as required. Many miles of fencing have been completed, and although a good deal remains to be done, arrangements are made by which the balance will be finished during the present season.

In Railroad construction there is no subject perhaps more prolific of dispute, controversy, and bitter feeling, than that which relates to the right and power of a Corporation to occupy the lands of private individuals for their road-bed and other accommodations. Your Board have intended to exercise this right and power with all due moderation, and with a conciliatory spirit--resisting exorbitant demands which are not unfrequent, but disposed to yield a liberal compensation for all loss or injury we may have occasioned the proprietors. We flatter ourselves that in the great majority of cases we have succeeded in giving satisfaction. But few appeals from the judgment of Commissioners have been taken, and those remaining undetermined, we trust will soon be settled, to the mutual satisfaction of all the parties. The expenditure under this head has already exceeded our original estimates, but it covers the valuable grounds on the shore of the Lake at Burlington,

which in time cannot fail to yield a handsome profit on the whole outlay, after reserving an amount of land, fully sufficient for all the purposes of the Corporation. It also includes the extensive Depot grounds at Bellows Falls, where has been incurred an expenditure for grading, &c., a portion of which is to be shared by another Corporation.

You recollect that the contract with Chamberlain, Strong & Co., for the Burlington Division, not only includes the grading, masonry and bridging, but also the superstructure, and laying the rails. These contractors have sub-let the laying of the superstructure and rails to Messrs. Eastman & Page, and the same gentlemen have contracted with us for the balance of the entire line, the payment for which is all provided for in the Stock and Bonds of the Company. The work of laying the track is completed from Bellows Falls to Chester, a distance of 14 1-2 miles, and some of the Gentlemen now before me have this day enjoyed the pleasure of passing over this continuation of the great chain, which is soon to connect the Ocean with the Lake. The grading between Chester and Ludlow is so nearly completed that no delay will be occasioned in laying the rails to the latter place, as rapidly as work of that description can be done. We shall then have reached the Eastern slope of the mountain, a distance of 28 miles from Bellows Falls.

The laying of the rails has already been commenced at the Burlington termination, and about six miles is now in running order. An additional party of track-layers are immediately to commence at Ver-

gennes. Other parties will be placed upon the line between Middlebury and Rutland, proceeding thence towards Cuttingsville, where we reach the Western slope of the mountain. Between the points last indicated, the grading, masonry and bridging are expected to be completed so as to occasion no delay in the laying of the rails from Burlington to Cuttingsville, a distance of 75 miles. There will then remain between Cuttingsville and Ludlow, about 15 miles only, which we propose to finish, and thus put the whole line in running order during the present year of 1849.

The subject of Depot buildings, Way stations, Engine houses and Machine shops, must ere long engage the careful attention of your Board of Directors. Hitherto they have felt disposed to postpone any considerable outlay for these objects, wishing and feeling obliged to husband their means for the more pressing purposes of the road, and knowing full well that temporary and very cheap accommodations, affording shelter merely for the business and property of the Corporation, would readily give place to permanent and respectable buildings, such as the road itself, and a proper respect for the public taste, would justify and demand.

The grading of your branch road, connecting the main line with the navigable waters of the Otter Creek at Vergennes, has been completed to the East bank of the Creek, and gives the Contractors access to the Iron and other materials landed there, and to be transported thence to the main line. The whole

expenditure thus far, on this branch road, is \$10,050,-90.

The time and expense required to put the top dressing upon the road, especially through Western Vermont, where a clay material predominates, will compel us to lay the track over a large proportion of the route between Burlington and Rutland, upon subgrade. Gravel has to be transported oftentimes a considerable distance, and will require the furniture of the Corporation and the aid of the track itself, to bring the expense within a reasonable limit. This is work, however, which may be performed without interfering with the regular running of the road, and at a time when other more pressing matters shall have been disposed of.

A contract has been closed with the Taunton Manufacturing Company for twelve Locomotive Engines, of 18 and 20 tons each. These machines are deliverable as fast as they may be wanted for the use of the road. One has already been put upon the Belows Falls Division, and another is completed and designed for the Burlington Division. The high reputation of the contractors furnishes a guarantee that we shall be faithfully served in the work they have contracted to do for us.

A considerable proportion of your car furniture is in progress of construction at Brandon. That portion which has been completed, so far as the same has been examined, manifests, in its style and workmanship, a determination on the part of our contractors to give us work alike creditable to them and satisfactory to us. This establishment, new and quite

extensive, upon the line of our road, and within our own State, of which our own citizens are proprietors, it is to be hoped will receive the patronage which so extended and costly an enterprise always deserves.

The report of your Treasurer discloses the fact, that there was due from delinquent Stockholders on the first of the current month, \$411,137.42. This sum covers all unpaid assessments, upon original subscriptions for stock both in the country and in the city. It is not expected that the whole of this amount can be realized. Death, removals from the country, and an unfavorable change in the pecuniary circumstances of some of our subscribers, will cause a possible diminution in our subscription list, estimated by your Board with a view of covering every probable contingency, at \$97,915, and leaving a balance of available subscription to be collected of \$313,222.

In examining this list of delinquents, it is no compliment, but rather a mortification to us of the country, to find that nearly the whole of this balance is due from subscribers living along the line of the road,—just about to enjoy personally the rich benefits of this great work, and possessing abundant means to redeem the pledge they voluntarily assumed when they became subscribers to the stock. To our friends the stockholders in the city, we are under an obligation which nothing short of a rigid fulfilment of our engagements here, can ever repay. Knowing its great merits, they entered with you into this stupendous enterprise, not so much in the expectation of personal benefit, as to aid and secure its accomplishment. They have paid their money promptly, and greatly

contributed in establishing for you a character and standing in the railroad community, of which you may justly be proud.

It is stated above that the sum of \$313,222 is yet due from such delinquent stockholders as are abundantly able to pay—and it further appears from the Treasurer's report, that in notes receivable, balances due from collecting agents and sundry others, with cash on hand, he has the farther sum of \$101,800, which added, produces \$415,022, available funds on which your Directors confidently rely.

Your indebtedness occasioned by Drafts negotiated in the country for the payment of contractors, amounts to \$204,096, to which add sundry amounts due to individuals (including balances to contractors for Iron &c., payable in cash) of \$95,045, and you have an aggregate floating debt of \$299,141. Your available means exceeds this debt by \$115,881.

It is always the dictate of a wise policy to look steadily and truthfully upon the actual position in which we may be placed. It is with this view that the statement now made is submitted for your serious consideration. It furnishes not the slightest ground for fear that our enterprise is to fail of its accomplishment; but it does impose upon us all, the delinquent subscribers more especially, the *high* duty, the *moral* obligation, the resolute determination, of placing our Treasury, forthwith, in its proper, just and true position.

Your Board have not thought proper, *as yet*, to resort to any general coercive measures, to collect the assessments due. The great money pressure through

which both city and country have recently passed, has induced the adoption of lenient and indulgent measures. But, Gentlemen, the money market being relieved and the pressure removed, permanently we trust, that policy ought no longer to be pursued. It is confidently expected that your own sense of duty, your convictions of right and your deep and abiding interest in the great work now so nearly completed, will prompt you to an immediate payment of all sums for which you may be delinquent.

It has been already stated that your Board had made highly favorable contracts for all the Iron rails, and other metallic appendages, required to complete the superstructure of your road. To meet the payment of this great expenditure, and to aid the Treasury in the discharge of its other current obligations, your Board resolved to resort to the expedient of issuing the bonds of the Corporation to the extent of \$800,000. These bonds bear an interest of six per cent., payable semi-annually in Boston—mature at an average period of four years from their date, with the right in the holder to convert the same into the stock of the Company at *par*. In August 1848, during the severity of the money pressure, these bonds were offered to capitalists at the rate of 90 per cent., and our highest hopes and expectations were fully realized in a ready sale of half the amount. Your Treasury was thus placed at ease, with funds to meet your Iron and other obligations. The issue and sale of these Bonds has since continued, as the necessities of the Company required, and there was outstanding the

sum of \$573,058,25, as appears from your Treasurer's report, made up to the first of the present month. Of this sum, \$188,000 was issued, and is held, mostly by English manufacturers, on account of, and in part payment for, rails purchased.

Within the last year a charter has been granted for a road from your termination ground at Bellows Falls to Brattleboro; and also for a road from the City of Troy to the State line in Poultney, making a connection with ours at Rutland. A line is also proposed from ours at Rutland to Whitehall, direct, which there meets the head waters of Lake Champlain and the Railroad now completed to Saratoga, opening thence an avenue by railroad to the Hudson river, Schenectady and the great thoroughfares by railroad and canal to the Lakes of the West. The first named, that from Bellows Falls to Brattleboro', completes the chain through the rich and fertile valley of the Connecticut river, from which diverge various lines, East and West, to all the great cities and almost every important village and business locality in New England and New York;—being but 24 miles in length, as understood, and a link in which eight or nine railroad Corporations are immediately interested, it would seem unlikely that its construction would be much longer delayed. Movements have been recently made and an impetus given which justifies the belief that the other lines mentioned, or some one of them, will be immediately constructed. These roads will operate as great feeders to ours, and the topography of the country through which ours passes, forbids

the idea that we shall ever be placed in competition with any parallel line.

You are doubtless all aware, Gentlemen, that in 1845 the Legislature of Vermont chartered a Company under the name of the Vermont and Canada Railroad Company. The First Section of the Act of Incorporation provides for a connection of that road with ours, "at the Village of Burlington," and also authorizes a connection with the Vermont Central Road at some point convenient for the purpose in Chittenden County. A connection, however, with ours, according to the requirements of the charter, at the same time fulfils all their obligations to the Vermont Central, both roads terminating at the Village of Burlington, immediately contiguous to each other, and at the very point where the Vermont and Canada road should terminate also. The Rutland and Burlington Company feel that they have rights secured to them in the charter of the Vermont and Canada, which they can neither surrender nor neglect;—the right of a connection which opens to them the business of Canada and Northern New York, upon terms of perfect equality with those enjoyed by the Vermont Central.

It was with no affected surprise, therefore, that we learned the fact, that a survey for a road had been made by the Vermont and Canada, taking a more Easterly direction, and that the Directors of that Company had proceeded to make a definite location upon the line thus surveyed, for the purpose of connecting their road with the Vermont Central alone, some six or eight miles Eastward of the Village of

Burlington, and of the termination of the Rutland and Burlington Railroad.

It having been industriously circulated that a more Western route, by which alone a proper connection can be made with our road, was extremely difficult if not impracticable, and would require in its construction an unreasonable outlay of money, it was deemed proper by your Board to cause a survey of the Western line, so called, being the direct line from the termination of your road to the boundary which separates Vermont from Canada, and to a connection with the Ogdensburgh. This service was undertaken and completed by your Chief Engineer, Mr. GILBERT, acting under instructions from your Executive Committee, and upon the solicitation of a large body of highly respectable and wealthy citizens, interested in, and living near, the proposed line, who bore by contribution the *expense* of the survey, the personal services of your Engineers and the use of instruments being furnished by us without charge. The gentlemen engaged in the survey, entered upon their duties under the impression that their work would be subjected to a rigid examination, if not an unfriendly criticism, and consequently proceeded with great care. Maps and profiles of the route, and careful estimates of the cost, have been prepared, and have been offered to the inspection of the officers of the Vermont and Canada Company, who, with their Engineers, have been invited, with our Engineers, to go upon the line and test the truth and accuracy of these maps and profiles, by an instrumental examination of the route. The route surveyed by Mr. GILBERT, is ex-

ceedingly favorable—grades no where more than 40 feet to the mile—line unusually direct—being some six miles less in distance than the line adopted by them—easy curves—and estimated to cost \$20,439 per mile, exclusive of Depots, Way Stations and Road Furniture. Although the invitation above referred to has not been accepted, it is but the indulgence of a reasonable expectation on our part, that the line we have thus indicated to them, will receive their careful examination. If so, they will readily discover that its adoption and construction will save them the expense of a second line of road, and this for the obvious reason, that the line connecting with us fulfils every obligation in their charter, while the other does not.

This Vermont and Canada road, it will be understood, forms the link between our own and the Ogdensburgh and such other road as may be constructed from Montreal to the Province line upon the borders of Vermont. Together with the Rutland and Burlington, it forms the shortest line to Boston, and the *only* direct communication from Ogdensburgh and Montreal, by railroad, to the great markets of the Hudson river. It seems, therefore, not only proper, but absolutely indispensable that the line ultimately adopted by the Vermont and Canada, independent of their obligations to us imposed in their charter, should be the most direct, that its great business be not burdened by an unnecessary protraction of distance.

Our neighbors in Canada have obtained from their Parliament an act incorporating a private Company,

to construct a Ship Canal connecting the river St. Lawrence with Lake Champlain, and the friends of that enterprise are sanguine of the early completion of the work. Its consequences upon the transportation business of the Lake, and our own road particularly, cannot be over-estimated. The Lake forms a great basin in which will be deposited, without breaking bulk, or transshipment, the illimitable productions of the West. Your road, terminating at one of the most favorable points, cannot fail to participate largely in the new business thus about to be introduced.

In closing this summary of the proceedings of your Board, necessarily brief and imperfect, you will permit us to congratulate you upon the near approach of the period when we can say, "the great work is finished." And, Gentlemen, we are permitted to indulge the belief, that its entire completion will be found in cost, not greatly, if at all, exceeding the estimates originally submitted to you and the public. It is also a source of high satisfaction to us all, that through good and *evil* report, (and of the last we have certainly had a full measure), the great merits of your work have fully and uniformly sustained it, in your own and the public estimation. To these great merits and the active efforts of intelligent friends, are we indebted for the quiet manner in which your stock has uniformly reposed in the hands of its original holders, and your bonds in the hands of capitalists who first purchased them. A confidence has been manifested which it will be your pride as well as your duty to preserve unimpaired. You will soon be in

the enjoyment of the fruits of your labors. In serving yourselves you will have served the State in promoting the great cause of internal improvement, and in pointing to this noble and durable monument of your perseverance, it will be no idle or offensive egotism to say : "I aided in its accomplishment."

By order of the Board,

T. FOLLETT, *President.*

TREASURER'S REPORT,

SAMUEL HENSHAW, TREASURER, *in account with the Rutland and
Burlington Railroad Company.*

Dr.

To whole amount received to this date on assessments, -	\$1,055,462	58
“ bonds issued payable in 3, 4 and 5 years, - -	563,788	25
“ On account Bonds not yet issued, - - -	9,270	00
“ drafts drawn to pay contractors, - - -	204,096	20
“ balances due to contractors for Iron and Spikes, &c., -	95,045	09
	<u>\$1,927,662</u>	12

Cr.

By amount paid and charged to construction, - - -	55,667	69
“ grading and masonry, - - - - -	1,083,084	89
“ bridges, - - - - -	20,577	60
“ iron, - - - - -	401,317	25
“ land, land damages and fences, including depot grounds at Burlington (76 acres) and Bellows Falls, (13 acres)	119,148	01
“ stations, - - - - -	2,399	92
“ interest, - - - - -	15,472	80
“ “ on bonds, - - - - -	2,869	36
“ preliminary and other expenses, - - - - -	19,121	83
“ salaries, - - - - -	12,437	76
“ engines, - - - - -	2,500	00
“ engineering, - - - - -	55,563	37
“ cars, - - - - -	23,450	00
“ freight, - - - - -	10,971	35
“ fuel and miscellaneous accounts, - - - - -	1,280	23
“ notes receivable, - - - - -	87,027	50
“ balance due from collecting agents, - -	6,848	17
“ sundries, - - - - -	2,124	52
“ cash, - - - - -	3,799	87
	<u>101 800</u>	06
	<u>\$1,927,662</u>	12

CAPITAL STOCK, JUNE 1, 1849.

Subscribed and held in the country, 8,949 shares,	\$894,900	
“ “ “ “ city,	4,616	“ 461,600
Issued to contractors at par,	1,101	“ 110,100
	<hr/> 14,666	“ 1,466,600
To be issued to contractors at par		
on fulfilment of their contracts,	2,654	“ 265,400
	<hr/> 17,320	“ \$1,732,000
Total,		
Assessments paid thereon per contra,	1,055,462	
“ unpaid,	411,138	\$1,466,600

SAMUEL HENSHAW, TREASURER.

Boston, June 1, 1849.

At the Annual Meeting of the Stockholders of the Rutland and Burlington Railroad Company, held in Rutland, June 20, 1849, the following Resolutions were adopted:—

1. *Resolved*, That the Report of the Directors and of the Treasurer, presented to this Meeting, be accepted and adopted, and printed under the direction of the Board, and distributed to the Stockholders.

2. *Resolved*, That the proceedings of the Directors in issuing Bonds for the purchase of Iron, and to carry our work rapidly forward, meets our entire approbation, and is hereby approved and confirmed; and we hereby approve of their issuing such further amount of Bonds as in their judgment the interests of the Corporation shall require.

3. *Resolved*, That the directors be, and they are hereby requested to take prompt and efficient measures for the collection of unpaid assessments upon the Capital Stock of the Corporation, and so far as they think expedient to sell all such shares as are not paid before the first of August next.

A true copy of record.

Attest SAMUEL SWIFT, Clerk.